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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 20, 2012

Bill Moeller
J.C.M. Family Trust
1151 North Grove Drive
Alpine, Utah 84004

Subject: Reclamation Surety Required, J.C.M. Family Trust, Lucky Jim Mine, S/045/0085, Tooele County, Utah

Dear Mr. Moeller:

The referenced Notice of Intention to Commence Small Mining Operations (NOI), received by the Division of Oil, Gas and Mining on June 13, 2012, is complete **with the exception of the reclamation bonding requirement and the completed cultural resource survey.** A small mine over 5 acres has a permit fee of \$500 per year, please submit an additional \$350. The required reclamation surety is \$35,000 for a three-year escalation or \$35,700 for a five-year escalation. This was determined based on information in the following table.

Small Mine Operation Bond Calculation Worksheet S/045/0085			
3-year escalation (2015)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$7,900.00	\$7,900.00
Add'l Acres Disturbance	5	\$4,800.00	\$24,000.00
Add'l equipment mob (over 5 acre)	0	\$3,000.00	\$0.00
Drill Hole Concrete Surface Plugs	10	\$210.00	\$2,100.00
Mob/de-mob dry drill holes	1	\$1,000.00	\$1,000.00
TOTAL			\$35,000.00
5-year escalation (2017)			
Item	Qty	Unit Cost	Total Cost
1st Acre Disturbance	1	\$8,100.00	\$8,100.00
Add'l Acres Disturbance	5	\$4,900.00	\$24,500.00
Add'l equipment mob (over 5 acres)	0	\$3,000.00	\$0.00
Drill Hole Concrete Surface Plugs	10	\$210.00	\$2,100.00
Mob/de-mob dry drill holes	1	\$1,000.00	\$1,000.00
TOTAL			\$35,700.00



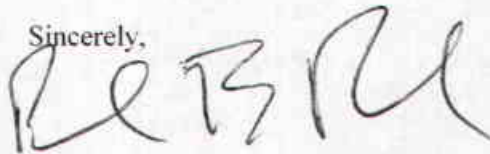
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Bill Moeller
S/045/0085
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Please submit the reclamation surety, reclamation contract, additional permit fee, and the completed cultural resource survey within the next 30 days. No mining related disturbance may be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation surety can be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash or a surety bond. Please contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for assistance in completing this requirement.

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/045/0085.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', written over the word 'Sincerely,'.

Paul B. Baker
Minerals Program Manager

PBB:lah:pb

cc: Tooele County - wshurbert@co.tooele.ut.us

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